

STATE OF CALIFORNIA
California Energy Commission

Minutes of the August 25, 2010, Energy Commission Business Meeting.

The meeting was called to order at 10:02 by Chairman Karen Douglas. The Pledge of Allegiance was led by Chairman Douglas.

Present:

Karen Douglas, Chairman
James D. Boyd, Vice Chair
Jeffrey D. Byron, Commissioner

Robert B. Weisenmiller, Commissioner
Anthony Eggert, Commissioner

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A commissioner may request that an item be moved and discussed later in the meeting.)
 - a. SONOMA GEOTHERMAL POWER PROJECT (80-AFC-1C). Possible approval of a petition to amend the Commission Decision by the Department of Interior U.S. Geological Survey (USGS) requesting to remove the USGS as the primary compliance agency of authority for the Commission License and terminate the Memorandum of Understanding and Letter of Understanding with the Commission. Contact: Christine Stora.
 - b. ASPEN ENVIRONMENTAL GROUP. Possible approval of Amendment 1 to Contract 400-07-032 with Aspen Environmental Group for a one-year no-cost time extension from March 31, 2011, to March 31, 2012, to continue technical assistance and training support to the Electricity Supply Analysis Division for demand forecasting method improvements, scenario planning, probability analysis and risk assessment, and natural gas assessment. Contact: Paul Deaver.
 - c. UNIVERSITY OF CALIFORNIA, DAVIS. Possible approval of Amendment 1 to Contract 500-08-018 with the Regents of the University of California, Davis, to allow reallocation of budget funds among technical tasks within the contract. This agreement is to assess the effects of varying flows from hydropower facilities on an amphibian species of special concern. There will be no changes to the total cost, scope of work or term of the contract. Contact: Joe O'Hagan.
 - d. UNIVERSITY OF CALIFORNIA, BERKELEY. Possible approval of Amendment 1 to Work Authorization MRA-02-064 under contract 500-02-004 with The Regents of the University of California, Berkeley - California Institute for Energy and Environment (CIEE) for a no-cost time extension of nine months to continue development of Fault Current Controller Technology. Contact: Jamie Patterson.

- e. DE SOLUTIONS, INC. Possible approval of Amendment 3 to Grant Agreement PNG-06-002 with DE Solutions, Inc., for a six-month no-cost time extension. The project is developing and testing emission control technology for reciprocating engine-based combined heat and power. Delays caused by grid-connection issues, repairs at the project host site, and other unexpected issues that extended laboratory tests necessitate this time extension. Contact: Rizaldo Aldas.
- f. CALIFORNIA HOME ENERGY EFFICIENCY RATING SERVICES (CHEERS). Possible approval of the request from the CHEERS Board of Directors to be decertified as a Home Energy Rating System (HERS) Provider for field verification and diagnostic testing for newly-constructed buildings and the New Solar Homes Partnership (NSHP) programs. Contact: Jim Holland.
- g. STANDING COMMITTEE APPOINTMENT. Possible approval of amending Energy Commission Order 10-0122-1 to appoint Robert Weisenmiller Presiding Member of the Siting Committee (in place of Karen Douglas) and Karen Douglas Associate Member (in place of Robert Weisenmiller). The Siting Committee provides oversight and policy direction to the Energy Commission's power plant siting process. Contact: Galen Lemei.

At the request of Commissioner Byron, Items 1f and 1g were moved from the Consent Calendar to discussion. Commissioner Byron then moved and Vice Chair Boyd seconded approval of Consent Calendar items 1a through 1e. The vote was unanimous. (5-0)

Following discussion, Commissioner Eggert moved to remand Item 1f, decertification of CHEERS, to the Efficiency Committee with a recommendation that the committee take action to resolve the issue. Vice Chair Boyd seconded the motion. The vote was unanimous. (5-0)

Chairman Douglas, Vice Chair Boyd, and Commissioners Byron and Eggert expressed appreciation and congratulations to Commissioner Weisenmiller for his work on the Siting Committee. Commissioner Byron moved and Vice Chair Boyd seconded approval of Item 1g, appointing Commissioner Weisenmiller Presiding Member and Chairman Douglas Associate Member of the Siting Committee. The vote was unanimous. (5-0)

- 2. CITY OF SIMI VALLEY. Possible approval of the City of Simi Valley's proposed locally adopted energy standards. The proposed standards for residential and nonresidential newly constructed buildings and additions and alterations to existing buildings would require greater energy efficiency than the 2008 *Building Energy Efficiency Standards*. Contact: Joe Loyer. (5 minutes)

Commissioner Byron moved and Vice Chair Boyd seconded approval of the City of Simi Valley's proposed locally adopted energy standards. The vote was unanimous. (5-0)

- 3. CALISOLAR, INC. Possible approval of Agreement 004-10-CEB for a \$5 million loan to CaliSolar, Inc., to purchase equipment to expand the manufacture of solar cells at CaliSolar's Sunnyvale, California, factory. The project will expand production capacity from 60 megawatts (MW) annually to 155 MW annually by December 2011. The project

will create or retain an estimated 181 full-time equivalent jobs. (ARRA funding.)
Contact: Larry Rillera. (5 minutes)

Commissioner Eggert moved and Commissioner Byron seconded approval of Agreement 004-10-CEB. The vote was unanimous. (5-0)

4. PROPEL FUELS, INC. Possible approval of Grant Agreement ARV-10-002, awarding \$1 million to Propel Fuels, Inc., to build 10 ethanol (E85) dispensers at publicly-accessible fueling stations throughout California. (ARFVTF funding.) Contact: Jennifer Allen. (5 minutes)

Vice Chair Boyd moved and Commissioner Eggert seconded approval of Agreement ARV-10-002. The vote was unanimous. (5-0)

5. EURISKO SCIENTIFIC. Possible approval of Grant Agreement ARV-10-003, awarding \$1,830,132 to Eurisko Scientific to install an anaerobic digester for wastewater sludge and effluent at the Elk Grove Wastewater Treatment Facility using a process developed at the Argonne National Laboratory to sequester CO₂ during the digestion process. (ARFVTF funding.) Contact: Jennifer Allen. (5 minutes)

Vice Chair Boyd moved and Commissioner Eggert seconded approval of Agreement ARV-10-003. The vote was unanimous. (5-0)

6. CITY OF REEDLEY. Possible approval of Grant Agreement ARV-10-004, awarding \$480,400 to the City of Reedley, to install a solar electric vehicle charging system and a clean natural gas fueling station at the new Central Valley Transportation Center, which is being built in collaboration with the Kings Canyon Unified School District. (ARFVTF funding.) Contact: Jennifer Allen. (5 minutes)

Vice Chair Boyd moved and Commissioner Eggert seconded approval of Agreement ARV-10-004. The vote was unanimous. (5-0)

7. FOOTHILL TRANSIT. Possible approval of Grant Agreement ARV-10-005, awarding \$200,000 to Foothill Transit for the procurement and installation of 2 electric drive charging stations which will be installed at the Pomona Transit Center. (ARFVTF funding.) Contact: Jennifer Allen. (5 minutes)

Vice Chair Boyd moved and Commissioner Eggert seconded approval of Agreement ARV-10-005. The vote was unanimous. (5-0)

8. STATE CONTROLLER'S OFFICE. Possible approval of Amendment 4 to Contract 200-98-012 for \$300,000 with the State Controller's Office to continue to provide auditing services and support to the Public Interest Energy Research (PIER) program. The amendment will extend the term of the Interagency Agreement for an additional three years and update rates. (PIER electricity funding.) Contact: Kyle Emigh. (5 minutes)
9. AMERICAN BIODIESEL, INC., dba COMMUNITY FUELS. Possible approval of Agreement PIR-10-016 for a grant of \$349,524 to American Biodiesel, Inc., dba

Community Fuels to demonstrate, document and validate the performance and water savings from an integrated water treatment system. (PIER electricity funding.)
Contact: Anish Gautam. (5 minutes)

Commissioner Eggert moved and Commissioner Byron seconded approval of Agreement PIR-10-016. The vote was unanimous. (5-0)

10. CO2NEXUS, INC. Possible approval of Agreement PIR-10-017 for a grant of \$396,200 to CO₂Nexus, Inc., to demonstrate, document and validate the performance and energy savings of a commercial supercritical-carbon dioxide textile cleaning machine. (PIER electricity and natural gas funding.) Contact: Anish Gautam. (5 minutes)

Vice Chair Boyd moved and Commissioner Byron seconded approval of Agreement PIR-10-017. The vote was unanimous. (5-0)

11. MC2 CONSULTING, INC. Possible approval of Agreement PIR-10-018 for a grant of \$399,565 to mc2 Consulting, Inc. to measure the effectiveness of the combined use of optimization software and drag reducing agents for transporting fluids in pipelines. This technology has statewide energy savings potential of 23 gigawatt hours per year and 50 megawatts in demand reduction. (PIER natural gas funding.) Contact: Anish Gautam. (5 minutes)

Commissioner Byron moved and Vice Chair Boyd seconded approval of Agreement PIR-10-018. The vote was unanimous. (5-0)

12. UNIVERSITY OF CALIFORNIA, DAVIS. Possible approval of Contract 500-10-017 for \$580,907 with the Regents of the University of California, Davis, to provide new location data and enhanced habitat suitability models for predicting the potential distribution and habitat of the Mojave and Colorado Desert rare plants. (PIER electricity funding.) Contact: Misa Milliron. (5 minutes)

Commissioner Weisenmiller moved and Vice Chair Boyd seconded approval of Contract 500-10-017. The vote was unanimous. (5-0)

13. KENNEDY/JENKS CONSULTANTS, INC. Possible approval of Agreement PIR-10-008 for a grant of \$299,956 to Kennedy/Jenks Consultants, Inc. to research the use of innovative additives that can reduce the water content of sewage sludge. This project could reduce the energy needed to dry the sludge and the fuel used for shipping and disposal. (PIER natural gas funding.) Contact: Paul Roggensack. (5 minutes)

Commissioner Byron moved and Vice Chair Boyd seconded approval of Agreement PIR-10-008. The vote was unanimous. (5-0)

14. EQUEST 3.64 AND D2 COMPLY 3.64. Possible approval of adding eQUEST 3.64 and D2 Comply 3.64 to the Energy Commission's list of computer simulation programs used to demonstrate compliance with the 2008 *Non-Residential Building Energy Efficiency Standards*. Contact: S. T. Seran. (5 minutes)

Commissioner Eggert moved and Commissioner Weisenmiller seconded approval of adding eQuest 3.64 and D2 Comply 3.64 to the Energy Commission's list of compliance software. The vote was unanimous. (5-0)

15. BEACON SOLAR ENERGY PROJECT (08-AFC-2). Possible adoption of the Presiding Member's Proposed Decision on the Beacon Solar Energy Project, and errata. The proposed project is a concentrated solar electric generating facility with a nominal 250 megawatt output. It will be located on a 2,012-acre site in eastern Kern County near California City. Contact: Ken Celli. (10 minutes)

Commissioner Byron moved adoption of the Presiding Member's Proposed Decision, with errata dated July 29, 2010, and August 24, 2010, and changes noted today. Vice Chair Boyd seconded the motion. The vote was unanimous. (5-0)

16. MARSH LANDING GENERATING STATION (08-AFC-3). Possible adoption of the Presiding Member's Proposed Decision on the Marsh Landing Generating Station. The proposed project is a nominal 930 megawatt natural gas-fired combined cycle power plant. It will be located on a 27-acre site in Contra Costa County north of the city of Antioch. Contact: Paul Kramer. (10 minutes)

After hearing testimony, at 2:00 p.m. the Commission recessed to an Executive Session to discuss the proposed decision, returning at 2:10 p.m. Chairman Douglas then announced that the Business Meeting would be recessed, reconvening at 5:30 p.m. to continue the discussion of the Marsh Landing project.

17. **Minutes:**

- a. Possible approval of the July 28, 2010, Business Meeting Minutes.
- b. Possible approval of the August 11, 2010, Business Meeting Minutes.

Commissioner Byron moved and Vice Chair Boyd seconded approval of the July 28 and August 11 Minutes. The vote was unanimous. (5-0)

18. **Commission Committee Presentations and Discussion:** None.
19. **Chief Counsel's Report:** None.
20. **Executive Director's Report:** None.
21. **Public Adviser's Report:** None.
22. **Public Comment:** Mr. George Nesbitt appeared.
23. **Internal Organization and Policy.** None.

At 2:15 the meeting was recessed.

At 5:40 p.m the meeting was reconvened.

Following discussion, Vice Chair Boyd moved and Commissioner Byron seconded adoption of the Presiding Member's Proposed Decision on the Marsh Landing Project (Item 16). The vote was unanimous. (5-0)

There being no further business, the meeting was adjourned at 6:40 p.m.

Appearances:

Ms. Dawn Carton, California Home Energy Efficiency Rating Services (CHEERS)

Mr. Doug Beaman, CHEERS

Mr. George Nesbitt, Environmental Design

Ms. Jane Luckhardt, Downey Brand

Ms. Lisa Gulesserian, California Unions for Renewable Energy

Mr. Michael Benz, California City

Mr. Jack Stewart, Rosamond

Mr. Scott Busa, NexTerra

Mr. Michael Short (by telephone)

Mr. Kevin Madison (by telephone)

Mr. Alvin Greenberg (by telephone)

Mr. Rob Simpson (by telephone)

Mr. Gregg Feere (by telephone)

Respectfully submitted,

HARRIET KALLEMEYN
Secretary to the Commission